

**BEFORE THE COMMISSIONER OF SECURITIES AND INSURANCE
OFFICE OF THE MONTANA STATE AUDITOR**

IN THE MATTER OF)	
)	CASE NO SEC-2016-176
)	
ROBERT MARK SEIBERT, aka)	DEFAULT ORDER
JOHN GREY, an individual, and)	
UNIVERSAL STOCK)	
TRANSFER, LTD, a Nevada)	
Limited Liability Company)	

The Office of the Montana State Auditor, Commissioner of Securities and Insurance (CSI), filed a Notice of Proposed Agency Action and Opportunity for Hearing (Notice) against Universal Stock Transfer (Respondent), *et al* , on March 7, 2017. The CSI alleged that Respondent violated the Securities Act of Montana on multiple occasions. Respondent was served via Montana Rule of Civil Procedure 4j, which provides for service on a corporate Respondent when a representative cannot be found within Montana. Service was complete on April 3, 2017. The Respondent did not request a hearing within the time allowed.

The CSI moved on April 18, 2017, for entry of a default order. Based on the information provided in the Motion and related Notice, the Commissioner of Securities and Insurance, Montana State Auditor (Commissioner) makes the following.

FINDINGS OF FACT

1 The Respondent, through its agents, marketed and sold securities to two Montana residents, C.S. and T H (Victims)

2 Beginning in 2013, the Respondents began communicating with the Victims via telephone, text message, and e-mail.

3 The Respondents informed the Victims that they could buy at a discount stocks for companies that were soon to go public.

4 The Respondents promised the Victims significant returns on their investments, and often gave verbal guarantees that they would make money on their investments

5 A typical investment opportunity promoted by the Respondents was New Global Energy Inc New Global Energy Inc trades on the over-the-counter market under ticker symbol NGEY

6 NGEY was a registered security with the SEC, and publicly available on OTC trading platforms at all times during Respondents' conversations with the Victims

7 Respondents represented to the Victims that NGEY was close to an initial public offering, and when the company went public the value would likely increase ten-fold

8. After receiving verbal commitments from the Victims to purchase shares, the Respondents would mail the Victims a two-page stock purchase agreement (SPA) which, among other things, provided

"Seller hereby represents and warrants to Buyer that Seller is the true and lawful owner and holder of the Shares free and clear of all liens and encumbrances, charges, claims or restrictions except as set forth herein or by legend on the Certificate "

9 The SPA lists John Grey as the "Seller " John Grey is an alias used by Respondent Seibert. The Respondents never owned shares of NGEY

10 The Victims signed the SPAs and returned them to the Respondents' Desert Palms PO box, along with checks or money orders in the amount they wished to invest in the securities

11. The Respondents deposited the proceeds into various bank accounts opened in Universal Stock Transfer Inc 's name

12 The Respondents never purchased the stocks on behalf of the Victims

13. The Respondents sent confirmations via e-mail to the Victims indicating that the securities had been purchased For example, one victim received an e-mail stating

"This is to confirm your receipt of your \$12,000 investment of which you have 40,000 shares at 30 cents a share of NGEY stock "

14 When the Victims requested that the Respondents sell the NGEY stocks and refund their money, the Respondent Seibert informed the Victims that he was unable to move the NGEY stocks due to low volumes.

15 The Respondents induced further investments from the Victims by guaranteeing a return on their NGEY stocks if they made additional investments in allegedly "private shares" of Intertech Solutions, Inc (ITEC) He explained that he could acquire the private shares for \$0 15 per share At the time these promises were made, ITEC was trading around \$1 00 per share on the over-the-counter markets

16. One victim made these additional investments The ITEC shares were never purchased

17 The Victims' funds were never returned They suffered the following losses.

a C S —\$22,000 00

b. T H—\$6,000 00

WHEREFORE, the Commissioner makes the following

CONCLUSIONS OF LAW

1 Any Finding of Fact more appropriately considered a Conclusion of Law is hereby incorporated into these Conclusions of Law.

2 The notice provided to Respondent in this case fulfills the requirements set out in Mont Code Ann. § 2-4-601 and Admin R Mont. 13 214.

3 The Commissioner has jurisdiction over this matter pursuant to §§ 30-10-102, 30-10-107, 30-10-201, 30-10-301, 30-10-304, 30-10-305, and 30-10-309

4 Section 30-10-301 of the Montana Securities Act prohibits a person, in connection with the offer, sale, or purchase of any security, from:

- a Employing any device, scheme, or artifice to defraud,
- b. Making any untrue statement of a material fact or omitting a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading; or
- c Engaging in any act, practice, or course of business that operates or would operate as a fraud or deceit upon any person

5 Respondent violated § 30-10-301(1)(a), (b), and (c) by

- a Telling the Victims it would sell them shares of NGEY and ITEC stock when it did not own those stocks,
- b Making untrue statements about the securities it was marketing to the Victims, such as their availability to the general public and the pendency of initial public offerings.

c. Receiving funds from the Victims with the intent to defraud them;
and

d. Inventing a scheme to entice the Victims to make further investments by guaranteeing returns on the initial investments if the Victims bought other, unrelated securities.

6. An order of restitution and interest at the rate of ten percent per annum is appropriate in these circumstances pursuant to § 30-10-301.

WHEREFORE, IT IS ORDERED

1. Respondent shall pay restitution in the following amounts:

a. C.S.—

i. October 29, 2013 Investment—\$12,000.00 principal, plus interest of \$4,164.00.

ii. May 3, 2014 Investment--\$5,000.00 principal, plus interest of \$1,480.00.

iii. December 30, 2014 Investment--\$5,000.00 principal, plus interest of \$1,150.00.

b. T.H.—

i. November 14, 2013--\$6,000.00 principal, plus interest of \$2,058.00.

2. Respondent shall pay a fine of \$20,000.00.

3. All fines and restitution must be paid within 30 days of the date of this Order.

DATED this 19th day of April, 2017.



MATT M. ROSENDALE

Commissioner of Securities and Insurance,
Montana State Auditor

CERTIFICATE OF SERVICE

I hereby certify that a true and accurate copy of the foregoing was served on the 19th day of April, 2017 by US mail, certified first-class postage paid, to the following:

Robert Mark Seibert
74478 Highway 111, Suite 175
Palm Desert, CA 92260

Universal Stock Transfer, Ltd.
C/O Montana Secretary of State
ATTN: Jeffrey M. Hindoien
P.O. Box 202801
Helena, MT 59620

